

## INTRODUCTION

The proposal described in this report has three objectives:

- To Fulfill the Mission of Health and Retirement Security for All Americans.
- To Lift the Burden of Debt Facing Future Generations.
- To Ensure American Jobs and Competitiveness in a 21<sup>st</sup> Century Economy.

Achieving these goals requires nothing less than recasting the relationship between individual Americans and their government. To put the matter bluntly: the well-intentioned social insurance strategies of the past century – which sprang from the New Deal, expanded in the Great Society, and continue to dominate the Federal budget – are headed toward collapse. Their very worthy aims can no longer be met using models created nearly 80 years ago – with large, centralized institutions, especially government, serving as sole providers for an increasingly dependent population.

Among the inescapable signs of the problem are the following: an unsustainable path of Federal Government spending; levels of projected debt that threaten to bankrupt the country; trillions of dollars of unfunded liabilities in the government's major benefit programs; and the erosion of Americans' confidence in health care and retirement. These conditions pose significant potential burdens not only for the government, but for the U.S. economy as well, threatening its ability to continue raising standards of living, to compete successfully in an increasingly international marketplace, and to continue the legacy of leaving the next generation better off.

The ultimate consequences will not occur immediately: they will unfold over the next several decades, becoming more intractable with each succeeding year. But they are inevitable under the policies in place today.

To willfully ignore these facts and delay action not only perpetuates false expectations about the future; it also disregards an extraordinary opportunity to transform government programs and tax policies to the realities of the new century. Such a transformation can, at the same time, reinforce personal initiative and responsibility, and thereby strengthen American society. This entails not a radically new approach, but the *restoration* of a longstanding, proven philosophy – one that recognizes the individual as the nucleus of American society.

This proposal restructures health care, the Federal health entitlements, retirement security, and Federal taxation. Because piecemeal, incremental “fixes” cannot truly match the magnitude and interrelated nature of the challenge, the approach of this reform plan is comprehensive. Its aim is *not* to retreat from the commitments made over the past eight decades, but to *fulfill* them – which cannot be accomplished under the status quo.

This approach need not be viewed as a finished product. It is a *framework* on which to build, designed with the capacity to evolve and adapt with the inevitable changes in domestic and global conditions that will emerge throughout the century. But it is offered as a coherent and integrated approach that is both *bold and achievable*.

The discussion that follows describes the contours of the challenge; the alternate futures for America; the principles that guide this proposed response; and the details of the proposal, *A Roadmap for America's Future*.